



Director of
Central
Intelligence

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OCPAS/CIG

CY# 273

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National Intelligence Daily

Thursday
9 December 1982

~~Top Secret~~

CPAS NID 82-286JX

9 December 1982

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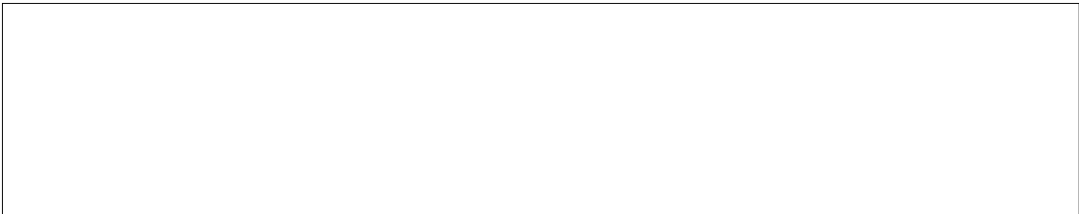
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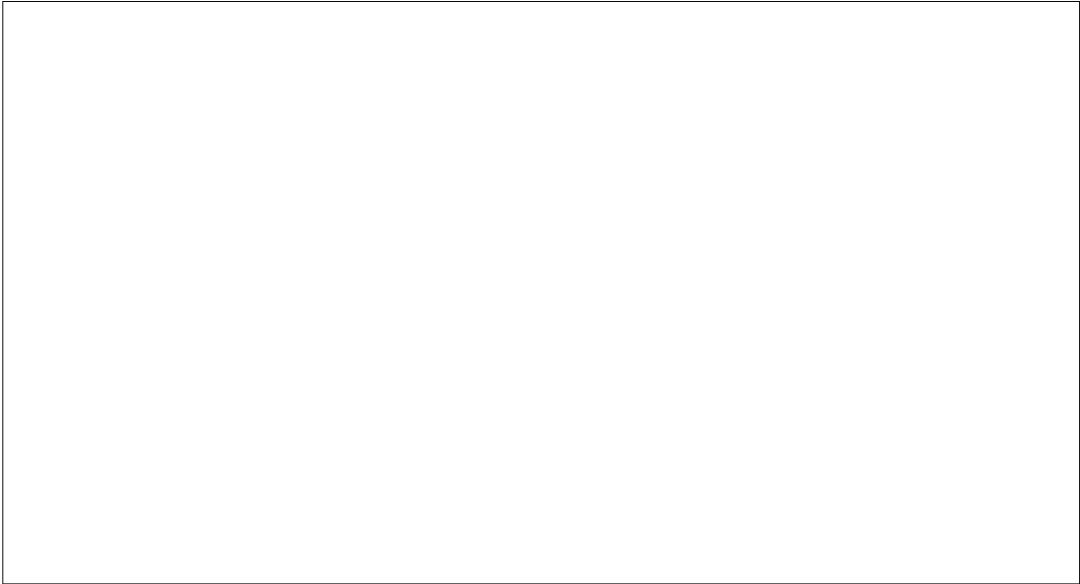
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POLAND: An Appeal From Walesa

Lech Walesa has written another letter to Premier Jaruzelski and, according to one Western press report, asked permission to address a rally in Gdansk on 16 December. Shortly after his release in November, Walesa told a Church official he wanted to give such a speech. Meanwhile, Zbigniew Bujak, a moderate underground leader, reportedly has said the underground structure will not disband until the regime frees all Solidarity activists. He promised to reveal a new plan of action some time next year aimed at forcing changes in the system without "armed conspiracy." [redacted]

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1/3 Comment: Walesa's desire to speak probably reflects in part his strong moral commitment to keeping alive the spirit of Solidarity. He also may believe he needs to preserve credibility with the workers and calculates his request shows action without too much risk. In addition, Walesa may want to impress upon the government that it will perpetuate his image as a martyr by not allowing him to speak. Jaruzelski, however, is not likely to allow such an important appearance. [redacted]

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LEBANON: Dim Prospects for Reconstruction

The US Embassy in Beirut reports Lebanese businessmen are becoming less optimistic than they were three months ago about the country's political future. As a result, they are making only essential repairs to homes and offices and shelving plans for industrial reconstruction. Local banks are hesitant to lend to any but their best customers, and even then only for short periods. In addition, Saudi Arabia has informed President Jumayyil it will not give Lebanon any substantial financial aid until a satisfactory outcome has been reached regarding the withdrawal of all foreign forces. [REDACTED]

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Comment: Jumayyil is now likely to push even harder for more US aid. The reluctance of the EC, the US, and other donors to provide large amounts of cash for reconstruction, coupled with the wariness of Lebanon's private sector, probably dooms hopes for an early resurgence of the economy. [REDACTED]

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President Hasani

Master of political survival . . . led nationalist uprisings against the British, 1965-1967 . . . joined "moderate" nationalist faction, 1967 . . . survived purge of moderates by Marxist extremists, 1969 . . . supported former President Ali's efforts to moderate South Yemeni foreign policy, 1975-1978 . . . weathered Ali's ouster by Soviet-backed Marxists, 1978.

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[redacted]

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Special Analysis

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SOUTH YEMEN - USSR: Edging Away From Moscow

President Hasani of South Yemen appears embarked on the risky course of reducing the USSR's strong influence in his Marxist regime. He is displeased with the amount of Soviet economic assistance and with Moscow's attempts to prevent Western oil exploration in South Yemen. As a result, Hasani is trying to broaden his economic and foreign policy options and to alter Aden's image as a supporter of regional subversion. He has neither the intention nor the option of breaking with the USSR, however, largely because South Yemen is militarily dependent on Moscow. [redacted]

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There are about 2,000 Soviet civilian technicians and an additional 1,000 military advisers who are helping to fill South Yemen's critical need for training manpower. Moscow and its East European allies also have provided about \$1.2 billion in military equipment on easy terms over the past decade. [redacted]

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Hasani, however, resents the Soviets' failure to make any substantial aid disbursement to South Yemen since he took power in April 1980. Although Moscow recently agreed to a five-year moratorium on Aden's commercial debt, it made clear the debt would not be renegotiated. [redacted]

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Turning Elsewhere

Since Hasani took power, imports from the West-- always greater than those from the USSR and Eastern Europe-- have increased. He also is trying to build political bridges to some Western states and to China. [redacted]

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Despite strong internal opposition, the President has advocated moderation in South Yemen's regional policies in order to help elicit aid from Saudi Arabia and the other Arab states of the Persian Gulf. [redacted]

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1-11
The Saudis were initially skeptical of Hasani's newfound moderation but now appear cautiously receptive to improving relations with South Yemen. Saudi Interior Minister Prince Nayif visited Aden last June, and his counterpart recently visited Riyadh. [redacted]

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Restraining Factors

Hasani almost certainly wants to avoid a more open breach with Moscow. He probably still is concerned over US intentions in the area, and thus is reluctant to forego the USSR's protection. [redacted]

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Moreover, Hasani fears Moscow's potential for subverting his position by working with the regime's pro-Soviet hardliners. These include former President Ismail, who Hasani ousted in 1980. [redacted]

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The political situation in South Yemen remains volatile. Hasani is aware that if he miscalculates his room for maneuver, the penalty is likely to be removal from office or even death. [REDACTED]

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The View From Moscow

11/ The Soviets have misgivings about Hasani's shifts in policy, and they gave him a cool reception when he visited Moscow in September. Nonetheless, they appear to be as anxious as Hasani to avoid a showdown. They are mindful of the fact that South Yemen is the sole state in the Middle East ruled by a Marxist government. [REDACTED]

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Moscow also values South Yemen for its strategic location. Since the USSR broke with Somalia in 1977, it has used South Yemeni port facilities to supplement logistic support for its Indian Ocean Squadron. Over the past four years, Soviet maritime reconnaissance aircraft stationed at Aden have conducted intelligence collection missions against Western naval activities. [REDACTED]

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If the Soviets believed Hasani posed a threat to their interests in Aden, they probably would try to remove him. They would move cautiously in doing so, however, because an unsuccessful coup would further undermine their influence. [REDACTED]

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